



DEPARTMENT OF NATURAL RESOURCES

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MEMORANDUM

Date: July 13, 2006

To: The Land Reclamation Commission

From: Mike Larsen, Chief; Projects & Inspection Unit (*original signed by Mike Larsen*)

Subject: Coal Mine Bond Forfeiture Status Update

Since the last update provided to the commission on May 25, 2006, the bond forfeiture staff has continued to conduct on the ground inspections and evaluations of bond forfeiture sites. In addition, the staff has been working with contractors in order to complete needed repairs and maintenance at various bond forfeiture sites around the state.

The following is a brief summary for the commission's information as to the work progressing and/or completed since the May, 2006 meeting:

Riedel Energy, Inc. – Perry Mine (Multiple Permits) - Monroe and Ralls counties:

A contract has been awarded for the removal and proper closure of all groundwater monitoring wells originally installed by the coal mining company. Work to remove and close these wells is expected to begin later this summer.

Universal Coal and Energy Co., Inc. – Mine #4 (Multiple permits) – Howard county

Work with the landowners of the remaining areas of this mine continues. Contracts for erosion repair and soil redistribution were awarded and the work has been completed. Rock placement on areas prone to erosion will be completed during the month of August. This will be done to ensure that erosion does not become a problem for the landowners in the future. Soil amendments (lime and fertilizer) have been applied on all areas that received soil placement.

One major feature of this mine site was the crossing of the coal haulage road connecting the mine with the processing area over a stream known as Moniteau Creek in northeastern Howard county. When the coal company abandoned the mine, the haulroad crossing over the creek was removed. The removal left remnants of the crossing in the form of large pieces of concrete and very large limestone boulders. This has caused a certain amount of flow restriction in the creek and associated bank erosion.

The staff has recently visited the site of the crossing in order to prepare the proper permit authorization through the Army Corps of Engineers for the remediation of this problem. This

will be done by the removal of the restrictions from the flow channel of the creek and the subsequent stabilization of the bank by placement of the leftover concrete debris and rip-rap armoring. Because this involves work done below the ordinary high water mark of Moniteau Creek, a general permit from the corps is required.

Erosion repair and the installation of a new spillway system was completed on an impoundment located in the central portion of the mine. Finally, all newly topsoiled areas of the mine have been seeded with a grass/legume mixture. It is expected that by the end of calendar year 2006 the work on all areas of this mine site will be finished. Additional revegetation work is also planned for later this summer and/or early this fall. Release presentations will be made to the commission when the revegetation work has been assessed and is deemed to have been successful.

Universal Coal and Energy Co., Inc. – Renick Mine – Randolph county

Repairs were completed during the month of June on the spillway for pond #002. The work completed involved the placement of rock along the sides of the spillway to prevent further erosion from occurring into the embankment of the pond and to reshape the flow channel of the spillway itself. Additional erosion repair was completed on the access road into the property and the road surface received additional rock for stability and for the safety of the landowner.

This minesite is now considered to be ready for a bond/liability release presentation to the commission. This will be done under a separate agenda item at the July 27, 2006 meeting of the Land Reclamation Commission.